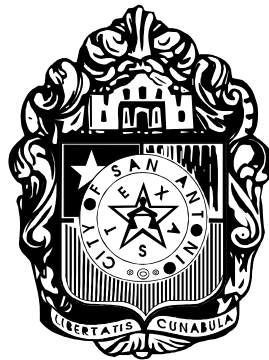


CITY OF SAN ANTONIO, TEXAS
Neighborhood Action Department



Nuevos Horizontes
Tax Increment Reinvestment Zone Five
FY 2005 Annual Report

**Participation Levels of City (100%), Bexar County
(100%), University Health System (100%), Edgewood
ISD (90%) and Alamo Community College (100%)**

December 31, 2005

Nuevos Horizontes Development Tax Increment Reinvestment Zone – Plan of Finance

Introduction

The Nuevos Horizontes Development is located in the west section of the City of San Antonio (“City”), on the corner of Hortencia and West Commerce. The development is in the Edgewood Independent School District and encompasses 10.03 acres. The 1999 base value is \$53,500 and the projected captured tax incremental value is \$3,751,980. The project includes the construction of 63 single family homes with an average sales prices of \$65,000. Construction will be carried out in two phases with the values to be included in tax years 2000 and 2002. The total public improvement infrastructure capital cost is estimated at \$514,244. The Developers and builders are Reeves Engineering and Nuevos Horizontes, who have limited experience in the development and construction of such projects. The life of the Tax Increment Reinvestment Zone (“TIRZ”) is projected to be 10.09 years with the TIRZ being in existence through fiscal year 2009.

Public Infrastructure

The public infrastructure improvements and related capital costs include engineering costs, sewer, water, paving and grading, engineering and surveying, platting application, tree affidavit fees, public works drainage fee, SAWS impact fee, site security, landscaping, and land. The capital cost is estimated at \$514,244. Included in the \$514,244 is \$30,000 for landscaping, \$10,000 for site security, and \$53,500 for land for a total of \$93,500.

Plan of Finance

The base value of the TIRZ is \$53,500. Projected captured values that would be taxed to produce revenues to pay for the capital costs of the public infrastructure improvements commences in tax year 2000 with collections commencing in tax year 2000 (fiscal year 2001). Captured values grow from \$555,500 in tax year 2000 to \$3,751,980 in tax year 2008.

The taxing jurisdictions and tax rate per \$100 valuation utilized in the analysis include: City of San Antonio at \$0.578540; Bexar County at \$0.318471; University health System at \$0.243869; Edgewood Independent School District at \$1.470260; and the Alamo Community College District at \$0.107050. This produces annual revenues of \$90,580 in fiscal year 2005, \$89,808 in fiscal year 2006 to \$99,436 in fiscal years 2007 through 2009. No growth in tax rate or values is assumed.

The cost of the public infrastructure improvements is incurred by the Developer and paid over time from revenues produced by the TIRZ. In addition to the capital costs, other costs to be paid from TIRZ revenues include City of San Antonio and/or Administrator fees. Revenues derived from the TIRZ will be used to pay costs in the following order of priority of payment: (i.) to the payment of eligible costs incurred by the Governmental Entities Participating in the TIRZ; (ii.) to administrative fees pertaining to the City or its administrator; and (iii) to the Developer, on an annual basis, as TIRZ revenues are available for such payments.

The Developer's capital cost incurred for public infrastructure improvements is \$514,244 plus two years interest of \$95,135 calculated at the City's cost of funds rate of 9.25%, for a total reimbursable cost of \$609,379. Revenues from the TIRZ are used to pay this amount. The Developer received any payment in fiscal year 2001. The payout schedule is structured through the fiscal year 2009.

TABLE – TIRZ Contributions		
Taxing Entities	Maximum Dollar Contribution*	Max. Length of Contribution
City of San Antonio	\$139,278	10 years
Bexar County	\$ 76,669	10 years
University Health System	\$ 58,709	10 years
Edgewood ISD	\$353,952	10 years
Alamo Comm. College District	\$ 25,771	10 years
Maximum Reimbursable Amt.	\$654,379	10 years

* Maximum Dollar Contributions are base on Original Finance Plan dated August 19, 1999.

Limited Obligation of the City or Participating Governmental Entities

The City and Participating Governmental Entities shall have a limited obligation to impose, collect taxes, and deposit such tax receipts into a TIRZ fund so long as the project is viable and capital costs incurred by the Developer have not been fully paid. The TIRZ collections for this project shall not extend beyond September 30, 2009, and may be terminated prior to September 30, 2009, upon payment of public improvement capital and interest costs incurred by the Developer totaling \$609,379, or for the failure of the Developer to perform, or for any other reason deemed appropriate by the City and the Participating Governmental Entities.

Any costs incurred by the Developer are not and shall never in any event become general obligations or debt of the City or any of the Participating Governmental Entities. The public improvement infrastructure costs incurred by the Developer shall be payable solely from the TIRZ revenues and shall never constitute a debt, indebtedness, or a pledge of the faith and credit or taxing power of the State, the City, the Participating Governmental Entities, any political corporation, subdivision, or agency of the State.

Developer's Risk

All financing, developmental costs, construction costs, improvements, damages, or other costs incurred with respect to this project are at the sole risk of the Developer. Neither the City nor any Participating Governmental Entity shall incur any risk whatsoever associated with the development, construction, completion or failure of the project. In the event the project fails, is abandoned by the Developer or for any reason is not completed, the City shall have the right to terminate the TIRZ and any funds remaining in the TIRZ account shall be distributed to the City and Participating Governmental Entities on pro a rata basis in accordance with each entities participation level.

Compliance

The Developer shall comply with all federal, state and local laws, rules and regulations.

Reporting

The Developer shall submit a project status report and financial report at least annually to the City, Participating Governmental Entities and Administrator. The Developer shall also submit a project status report, financial report, or any other report as requested by the City, Participating Governmental Entities and Administrator, within thirty (30) days of such request.

Inspection

The City, Participating Governmental Entities or Administrator shall have the right to inspect the project site or sites and the premises of the Developer without notice.

Nuevos Horizontes

Summary Fact Sheet

August 26, 1999

Plan of Finance

Site Area		10.03 Acres
Base Value (1999)	\$	53,500
Average Home Price	\$	65,000
Homes Built:		
Phase I		31
Phase II		32
Total Homes Built		<u>63</u>
Experience of Housing Developer		Limited
Performance Bonds:		
Universal Surety of America	\$	204,937
Fidelity & Guaranty Insurance Underwriters	\$	131,436
	\$	<u>336,373</u>

Assumptions

Captured Value	\$	3,751,980
Growth Factor		0.00%
Collection Rate		97.50%
Estimated Total TIF Revenues	\$	725,209
Estimated TIF Life		10.09 Years

August 26, 1999 to September 30, 2009

Nuevos Horizontes - TIF Reinvestment Zone

Sources & Uses

Total TIF Proceed Funds	\$ 725,209
Developer Contributions	<u>\$ -</u>
Total Sources of Funds	<u><u>\$ 725,209</u></u>
Uses of TIF Revenue	
Engineering Costs	
Sewer	\$ 106,112
Water	\$ 98,825
Paving and Grading	\$ 131,436
Engineering & Surveying	\$ 43,000
Platting Application	\$ 4,775
Tree Affidavit Fees	\$ 100
Public Works Drainage Fee	\$ 4,400
SAWS Impact Fee	<u>\$ 32,096</u>
Subtotal	<u>\$ 420,744</u>
Additional Uses of TIF Revenue	
Site Security	\$ 10,000
Landscaping	\$ 30,000
Land	<u>\$ 53,500</u>
Subtotal	<u>\$ 93,500</u>
Total Infrastructure	\$ 514,244
Interest Cost for 2 years @ 9.25%	\$ 95,135
Total Payments to Nuevos Horizontes	\$ 609,379
Total Administrative Expenses	\$ 45,000
Grand Total	<u><u>\$ 654,379</u></u>
Project Financing Surplus/Shortage	\$ 70,830

Nuevos Horizontes - TIF Reinvestment Zone

Projected Tax Increment Revenue

Tax Year	Tax Increment Zone				City of San Antonio			Bexar County			University Health System			Edgewood ISD			Alamo Community College District			Combined TIF Collections	Fiscal Year Ending
	Beginning Assessed Value	Annual Value of New Development	Projected Year-End Assessed Value	Projected Captured Value	Captured Taxable Value*	Tax Rate Contribution	Tax Increments	Captured Taxable Value*	Tax Rate Contribution	Tax Increments	Captured Taxable Value*	Tax Rate Contribution	Tax Increments	⁽¹⁾ Captured Taxable Value*	Tax Rate Contribution	Tax Increments	Captured Taxable Value*	Tax Rate Contribution	Tax Increments		
1999	53,500	-	53,500	-	-	0.579790	-	-	0.339458	-	-	0.243869	-	-	1.388700	-	-	0.106900	-	-	2000
2000	53,500	555,500	609,000	555,500	555,500	0.579790	3,076	555,500	0.339458	1,766	555,500	0.243869	1,269	540,500	1.405789	-	555,500	0.106900	567	6,678	2001
2001	609,000	1,458,500	2,067,500	2,014,000	2,014,000	0.578540	11,307	2,014,000	0.320756	6,119	2,014,000	0.243869	4,652	1,834,000	1.470595	26,073	2,014,000	0.104600	2,045	50,196	2002
2002	2,067,500	1,534,700	3,602,200	3,548,700	3,483,830	0.578540	19,624	3,478,830	0.317571	10,464	3,483,830	0.243869	8,045	3,158,830	1.419497	45,350	3,478,830	0.107100	3,626	87,109	2003
2003	3,602,200	601,300	4,203,500	4,150,000	4,109,113	0.578540	23,255	4,089,113	0.320952	12,296	4,109,113	0.243869	9,495	3,674,113	1.467565	53,173	4,109,113	0.107050	4,311	102,530	2004
2004	4,203,500	(757,000)	3,446,500	3,393,000	3,339,200	0.578540	19,920	3,333,000	0.318471	9,894	3,393,000	0.243869	14,073	2,911,761	1.564242	43,194	3,353,000	0.107050	3,499	90,580	2005
2005	3,446,500	358,980	3,805,480	3,751,980	3,620,660	0.578540	20,423	3,659,840	0.318471	11,364	3,729,840	0.243869	8,869	3,160,825	1.470260	45,311	3,679,840	0.107050	3,841	89,808	2006
2006	3,805,480	-	3,805,480	3,751,980	3,751,980	0.578540	21,164	3,751,980	0.318471	11,650	3,751,980	0.243869	8,921	3,751,980	1.470260	53,785	3,751,980	0.107050	3,916	99,436	2007
2007	3,805,480	-	3,805,480	3,751,980	3,751,980	0.578540	21,164	3,751,980	0.318471	11,650	3,751,980	0.243869	8,921	3,751,980	1.470260	53,785	3,751,980	0.107050	3,916	99,436	2008
2008	3,805,480	-	3,805,480	3,751,980	3,751,980	0.578540	21,164	3,751,980	0.318471	11,650	3,751,980	0.243869	8,921	3,751,980	1.470260	53,785	3,751,980	0.107050	3,916	99,436	2009
2009	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2010
2010	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2011
2011	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2012
2012	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2013
2013	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2014
2014	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2015
2015	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2016
2016	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2017
2017	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2018
2018	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2019
2019	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2020
2020	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2021
2021	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2022
2022	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2023
2023	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2024
2024	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2025
2025	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2026
2026	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2027
2027	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2028
2028	-	-	-	-	-	0.578540	-	-	0.318471	-	-	0.243869	-	-	1.470260	-	-	0.107050	-	-	2029
\$ 3,751,980					\$ 161,097			\$ 86,853			\$ 73,166			\$ 374,456			\$ 29,637			725,209	
Existing Annual Value Growth Factors					Participation Level			Participation Level			Participation Level			Participation Level			Participation Level				
Years 1999-2003					0.00%			100%			100%			90%			100%				
Thereafter					0.00%			0.00%			0.00%			0.00%			0.00%				
Combined Compound Growth Rat					0.00%			97.50%			97.50%			97.50%			97.50%				

⁽¹⁾ Edgewood Taxable value equals captured appraised value less homestead exemptions. Tax year 2000 captured value not allowed for ISD.

*Captured Taxable Value for each Participating Taxing Entities differ due to the exemption by each Taxing Entities.

Nuevos Horizontes - TIF Reinvestment Zone
Reimbursement for Public Improvements

Fiscal Year Ending	TIF Revenue	Cumulative TIF Revenues	Public Improvement Infrastructure	Admin. Exp.	Annual Variance	TIF Fund Balance
2000	-		609,379	18,000	(627,379)	(627,379)
2001	6,678	6,678		3,000	3,678	(623,701)
2002	50,196	56,874		3,000	47,196	(576,505)
2003	87,109	143,983		3,000	84,109	(492,396)
2004	102,530	246,513		3,000	99,530	(392,866)
2005	90,580	337,093		3,000	87,580	(305,286)
2006	89,808	426,901		3,000	86,808	(218,478)
2007	99,436	526,337		3,000	96,436	(122,042)
2008	99,436	625,773		3,000	96,436	(25,606)
2009	99,436	725,209		3,000	96,436	70,830
2010	-					
2011	-					
2012	-					
2013	-					
	\$ 725,209		\$ 609,379	\$ 45,000	\$ 70,830	

Nuevos Horizontes - TIF Reinvestment Zone Participation

Entity	Tax Rate	Level of Participation	Tax Rate Based on Participation	% of Project	TIF Revenues	TIF Expenses
San Antonio	0.5785400	100%	0.578540	21.28%	\$ 161,097	\$ 139,278
Bexar County	0.3184710	100%	0.318471	11.72%	\$ 86,853	\$ 76,669
University Health System	0.2438690	100%	0.243869	8.97%	\$ 73,166	\$ 58,709
Edgewood ISD	1.6300000	90%	1.470260	54.09%	\$ 374,456	\$ 353,952
Alamo CCD	0.1070500	100%	0.107050	3.94%	\$ 29,637	\$ 25,771
Total	2.8779300		2.718190	100.00%	\$ 725,209	\$ 654,379

Nuevos Horizontes - TIF Reinvestment Zone
Projected New Value of Tax Increment

Tax Year	Phase I	Phase II	Annual Total
1996			\$ -
1997			\$ -
1998			\$ -
1999			\$ -
2000	\$ 555,500		\$ 555,500
2001	\$ 1,458,500		\$ 1,458,500
2002		\$ 1,534,700	\$ 1,534,700
2003		\$ 601,300	\$ 601,300
2004		\$ (757,000)	\$ (757,000)
2005		\$ 358,980	\$ 358,980
2006			\$ -
2007			\$ -
2008			\$ -
2009			\$ -
2010			\$ -
2011			\$ -
	<hr/>	<hr/>	<hr/>
	\$ 2,014,000	\$ 1,737,980	\$ 3,751,980